

**Uintah and Ouray Federal Partners Meeting – January 14, 2016**  
**BLM Utah State Office**  
**Salt Lake City, Utah**

Meeting called to order at 8:30 am

**Attendees:**

Jerry Kenczka	BLM, Vernal Field Office	435-781-4440
Robert Just	BIA, Division of Energy & Minerals	720-407-0611
John Melhoff	ONRR, Denver	303-261-3080
Tom Piccirilli	ONRR, Denver	303-231-2179
Cindy Beeler	EPA, Denver	303-312-6204
Cathy Rugen	OST	505-816-1071
Antonio Pingree	BIA, U&O	435-722-4300
Bart Stephens	BIA, U&O	435-722-4300
David Murray	Ute Tribe, E&M	435-725-4951
Leah Burrows	OST, U&O	435-722-4361
Ester McCullough	BLM, Vernal Field Office	435-781-3416
Jenna Whitlock	BLM, Utah State Office	801-539-4010
Rick Rymerson	BLM, Green River District Office	435-781-4401
Larry Crist	US Fish & Wildlife Service, Salt Lake	801-975-3330 x126
Kent Hoffman	BLM, Utah State Office	801-539-4063

Those in attendance were welcomed to the meeting by Jenna Whitlock, followed with additional remarks from Kent Hoffman. Introductions followed.

**Agency Updates:**

**BIA:**

CA approvals

- Calendar year 2015, completed processing of 29 CA's
- Calendar year 2016, have completed the processing of 2 CA's
- Still have 13 pre-CA's remaining (all with Newfield)

Staffing

- Switched HR offices (Billings)
- Realty position for O&G recently closed
- Selected a minerals clerk
- Will be 90% staffed once select the realty position
- Interested in how can work with other agency staff to serve the people/trustees they assist
- Quarterly meetings helpful

**BLM:**

Working on a pay increase incentive to recruit and retain staff

## AFMSS2

APD processing module deployed in Vernal, but no industry submissions yet  
Other modules due by EOY - completion reports, sundry notices, etc.  
Question was asked if there was some overview of AFMSS2 for other agencies  
USO BLM tasked to follow up with that question.

## Rulemaking updates

Teams in place reviewing comments to revised Onshore Orders #3, #4, #5  
Frac rule – still with court pending decision  
Update of NTL-4A forthcoming (Onshore Order #9)  
ONRR mentioned need to mesh this rewrite with royalty collection

## Sage Grouse

New BLM RMP plan amendments  
Will have outreach implementation meetings to discuss "smart from start" memo process  
Plans are being litigated

## Indian trust APD approval processing times

VFO continues to revamp processes to remove bottlenecks  
Split estate (fee surface/Indian trust minerals) continue to be delayed for ESA consultation  
Discussion led to USFWS standards for T&E cactus  
Mentioned that USFWS has accepted Tribal cactus management plan  
100' buffers on Tribal lands (unknown as to minerals, surface, or both)  
Currently, may be limited to Newfield  
Need coordination to understand scope of agreement  
GRDO tasked to further coordinate  
Sage grouse – split estate; Indian trust mineral with fee surface  
BLM NRS apparently relayed to a company that need to accomplish net conservation gain per BLM ROD  
GRDO tasked with reviewing RMP decisions vs. Indian trust development

Invite to the Tribe of these meetings on a regular basis, and if so, whom  
BIA tasked with taking this up with Business Committee

## TransWest Express transmission line project

Jenna working to establish consultation meeting later in the month

## OST:

Catherine Rugen planning to retire 2/29

Leah Burrows is now the OST officer in Ft. Duchesne

Getting an accounting technician effective 2/1; Nicole

Seeking to improve payment distribution times to Tribe

Proper lock box distribution (bank account)

Uncertain which payments going through ONRR vs. directly to Tribal lock box

**ONRR:**

All \$\$ collected for Trust properties are distributed within 24 hours

Distribution via OST or lock box

OST distributes twice a month

**Ute Distribution Corp royalties**

ONRR does not receive any \$\$ or make any distribution to UDC

Not considered to be a trust account

Cathy has an extensive history from John Folsom that could be provided

**Communitization Agreement Interest**

ONRR distributes royalty revenues in the manner that either BIA or BLM tells them to

ONRR not involved until a CA is approved (if fee well involved)

Cannot collect any royalty \$\$ until approved

CA then supersedes lease terms to allow for royalty collection and distribution

Effective the date of 1<sup>st</sup> production

Tribe's question of interest and time value of money

There is no interest that can be charged by the Federal govt. until a CA is in place

Industry should be escrowing \$\$ for Trust ownership

John M explained how royalties are distributed prior to formation of CA under different scenarios

BLM IM requires CA to be in place at time of 1<sup>st</sup> production

BIA has a similar policy; Unleased land accounts - money distributed not held

BLM needs to meet w/DOGM to get the state to place the 90 day requirement in the state APD approval for fee wells which involve Federal or Indian minerals within spaced areas

Bart mentioned that BIA and BLM should get together to make sure both agencies are working in concert on CA processes and processing

ONRR suggested creating an unleased lands account

Been created for Federal lands

Thought this may have been done for Indian trust lands

ONRR conducting formal consultation with Ute Tribe on their Indian Oil Valuation rule amendment on 2/17

**Service Center update**

Idea from the Indian Mineral Steering Committee; strike team concept

4 agencies that set up a team that works in Denver to assist/work for BIA with "cradle to grave" oil and gas management

Jeff Hunt is the acting office director

BIA got \$4.5M for FY16 (need floor space, travel, labor, etc)

Currently focusing on CA issues in North Dakota

Funding is not all secured

An MOU is in the process of being circulated among the 4 agencies

**ONRR outreach meetings**

Conducted an outreach meeting last week for Allottees; good meeting

**EPA:**

Consulting with Tribe on a FIP in anticipation of non-attainment designation for Reservation

State of Utah rules more stringent than EPA rules for Indian Country

Multi-stakeholder group working on emission inventory for Uinta Basin

- 23 operators have submitted data

- 5 operators have asked for extension of time

EPA seeking \$\$ for research grant

- To do measurement work on pneumatic controllers

  - Largest single emitter of methane

  - 3<sup>rd</sup> largest emitter of VOC

  - Above data from greenhouse gas reporting to EPA

  - Would like to include BLM in the research

Number of rulemakings underway

- NSPS-2 subpart OOOO ("Quad-O"); hoping to finalize this summer

- OOOO requiring reduced emissions from new wells being finalized

- Looking into rule to require info on frack fluid makeup constituents

EPA/State of Utah model to predict decline in production and forecasting new emissions for NEPA and SIP (if non-attainment).

Non-attainment

- New standard is 70 PPB ozone

- October 2016 recommendations will be coming from States – October 2017 EPA will make final designations

- Any Federal determinations would be year later for areas of the country

Interest was expressed among group for a Webinar of a "101 primer" on air quality. EPA committed to following up on this.

**USFWS:**

Major rule making currently ongoing is for the Yellow billed Cuckoo

- Listed as threatened

- Addressing proposed critical habitat

  - Date unknown as to when critical habitat will be finalized

  - Ute Tribe has developed a management plan that will be used as a basis for excluding Tribal areas from critical habitat

Penstemon Conservation agreement

- 2 species not listed as a result of the agreement

- Working to meet/address some of the implementation items to show progress to aid our arguments in court

Developing a position in their office to address species that may be down/de-listed

- Assembling partners to fund

- Looking at Ute Ladies Tresses

Have 1 energy biologist and trying to fill another position

**Robert Just:**

Grant program for Indian tribes coming up again

Federal Register Notice announcing the program expected to be out around 3/1

Asked to have Jeff Hunt added to the email group list

**Walk on items:**

David Murray with Tribe E&M

Would like better information on production volumes on monthly basis

Was mentioned that can use NIOGEMS for production trends

David would like someone to assist in generating that report for E&M

Feedback - report can be extracted within a few minutes from NIOGEMS

**Follow up Action Items:**

- 1) AFMSS2 training for other agencies – Kent Hoffman
- 2) Sage Grouse Plan implementation/decision/training vs. Indian trust development – Rick Rymerson
- 3) Tribal cactus plan finalization – Rick Rymerson
- 4) BIA/BLM meet to discuss CA process further -
- 5) Unleased lands account – ONRR/OST
- 6) BLM CA IM; recommendations to DOGM/Board (MOU?) – Rick Rymerson
- 4) AQ webinar – Cindy Beeler
- 5) NIOGEMS issue for Tribe – Tony Pingree
- 6) Federal Partner Meeting invite to Business Committee – Bart Stephens
- 7) February 2 meeting with UDEQ and Tribe – Cindy Beeler
- 8) Coordination with ONRR on OO#9 – Jenna Whitlock

**Next Meeting**

April 14, 2016 at the BLM Utah State Office